

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, July 6, 1955

CASH OFFERINGS

1 $\frac{7}{8}$ Percent Treasury Certificates of Indebtedness of Series A-1956

3 Percent Treasury Bonds of 1995 (Additional Issue)

**To all Banking Institutions and Others Concerned
in the Eleventh Federal Reserve District:**

Enclosed are Treasury Department Circular No. 961 covering an offering of 1 $\frac{7}{8}$ percent Tax Anticipation Certificates of Indebtedness of Series A-1956 and Treasury Department Circular No. 962 covering an additional issue of 3 percent Treasury Bonds of 1995. Enclosed also is a supply of subscription forms for each of the two issues. Additional circulars and forms will be forwarded upon request.

The books for the receipt of subscriptions to the certificates will be open on **Friday, July 8, for one day only**. The books for the receipt of subscriptions to the bonds will be open on **Monday, July 11, for one day only**. Subscriptions will be received at this bank and its branches at El Paso, Houston, and San Antonio.

Commercial banks may submit subscriptions for the account of customers, but others will not be permitted to enter subscriptions except for their own account. Subscriptions by commercial banks for their own account should be entered by the subscribing bank and not through another bank. It will be observed that a qualified depository will be permitted to make payment by Treasury Tax and Loan Account credit for securities allotted to it for itself and its customers.

Subscriptions to the certificates from commercial banks for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital, surplus and undivided profits of the subscribing bank. Subscriptions to the bonds from commercial banks for their own account will also be received without deposit but will be restricted in each case to an amount not exceeding 25 percent of the combined capital, surplus and undivided profits or 10 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations, and other organizations not operated for profit), and of savings deposits, of the subscribing bank.

Subscriptions to the certificates from others than commercial banks must be accompanied by payment of 5 percent of the amount of certificates applied for. Subscriptions to the bonds from others than commercial banks must be accompanied by payment of 10 percent of the amount of bonds applied for.

Subscriptions addressed to this bank or appropriate branch and placed in the mail before midnight on the respective closing dates will be considered as having been entered before the closing of the subscription books.

Yours very truly,

Watrous H. Irons

President

UNITED STATES OF AMERICA
ONE AND SEVEN-EIGHTHS PERCENT TREASURY CERTIFICATES OF
INDEBTEDNESS OF SERIES A-1956
TAX ANTICIPATION SERIES

Dated and bearing interest from July 18, 1955

Due March 22, 1956

1955
Department Circular No. 961
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, July 8, 1955

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for Tax Anticipation Certificates of Indebtedness of the United States, designated $1\frac{7}{8}$ percent Treasury Certificates of Indebtedness of Series A-1956. The amount of the offering is \$2,000,000,000, or thereabouts. The books will be open **only on July 8** for the receipt of subscriptions.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated July 18, 1955, and will bear interest from that date at the rate of $1\frac{7}{8}$ percent per annum, payable with the principal at maturity on March 22, 1956. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates is subject to all taxes imposed under the Internal Revenue Code of 1954. The certificates are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will be accepted at par plus accrued interest to maturity in payment of income and profits taxes due on March 15, 1956.

4. Bearer certificates will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be received without deposit, but will be restricted in each case to an amount not exceeding one-half of the combined capital, surplus and undivided profits, of the subscribing bank. Subscriptions from all others must be accompanied by payment of 5 percent of the amount of certificates applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 5 percent payment in excess of 5 percent of the amount of certificates allotted may be released upon the request of the subscribers.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of certificates applied for; and any action he may take in these respects shall be final. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made or completed on or before July 18, 1955, or on later allotment. In every case where payment is not so completed, the payment with application up to 5 percent of the amount of certificates allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

G. M. HUMPHREY,
Secretary of the Treasury.

UNITED STATES OF AMERICA
3 PERCENT TREASURY BONDS OF 1995

Dated and bearing interest from February 15, 1955

Due February 15, 1995

Interest payable February 15 and August 15

ADDITIONAL ISSUE

1955
Department Circular No. 962
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, July 11, 1955

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 3 percent Treasury Bonds of 1995. The amount of the offering is \$750,000,000, or thereabouts. The Secretary of the Treasury reserves the right to allot limited amounts of these bonds to Government Investment Accounts. The books will be open **only on July 11, 1955**, for the receipt of subscriptions.

2. Deferred payment for bonds allotted hereunder may be made as provided in Section IV hereof by any of the following subscribers, who for this purpose are defined as savings-type investors:

Pension and Retirement Funds — public and private
Endowment Funds
Insurance Companies
Mutual Savings Banks
Fraternal Benefit Associations and Labor Unions' insurance funds
Savings and Loan Associations
Credit Unions
Other Savings Organizations (not including commercial banks)

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 3 percent Treasury Bonds of 1995 issued pursuant to Department Circular No. 956, dated February 1, 1955, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 956:

“1. The bonds will be dated February 15, 1955, and will bear interest from that date at the rate of 3 percent per annum, payable semiannually on August 15, 1955, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1995, and will not be subject to call for redemption prior to maturity.

“2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

“3. The bonds will be acceptable to secure deposits of public moneys.

“4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

"5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,¹ provided:

- (a) that the bonds were actually owned by the decedent at the time of his death; and
- (b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at _____ for credit on Federal estate taxes due from estate of _____." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;² bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,³ properly completed, signed and sworn to, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the District Director of Internal Revenue.

"6. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be received without deposit, but will be restricted in each case to an amount not exceeding 25 percent of the combined capital, surplus and undivided profits, or 10 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations, and other organizations not operated for profit), and of savings deposits, of the subscribing bank. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 10 percent payment in excess of 10 percent of the amount of bonds allotted may be released upon the request of the subscribers. Where partial payment for bonds allotted is to be deferred beyond July 20, 1955, as provided in Section IV hereof, delivery of 5 percent of the total par amount of bonds allotted, adjusted to the next higher \$500, will be withheld from all subscribers until payment for the total amount allotted has been completed. In every case where payment is not so completed the 5 percent so withheld shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of bonds applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

¹ An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

² The transfer books are closed from January 16 to February 15, and from July 16 to August 15 (both dates inclusive) in each year.

³ Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

IV. PAYMENT

1. Payment at par and accrued interest from February 15, 1955, to July 20, 1955 (\$12.8453 per \$1,000) for bonds allotted hereunder must be made or completed on or before July 20, 1955; provided, however, that where a subscriber eligible to defer payment under Section I hereof elects to defer payment for part of the bonds allotted, not less than 25 percent of the bonds allotted must have been paid for by July 20, 1955, not less than 60 percent must have been paid for by September 1, 1955, and full payment must be completed by October 3, 1955. All payments made subsequent to July 20, 1955, must be accompanied by additional accrued interest from that date, at the rate of \$0.083 per \$1,000 per day. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

G. M. HUMPHREY,
Secretary of the Treasury.